

## Online franchise tax system files award

In September, Secretary of State Charlie Daniels was awarded a 2007 Digital Government Achievement Award in the Government-to-Business category by the Center for Digital Government. The award is for the Secretary of State's innovative Franchise Tax Services Suite, which automates the processing of online franchise tax lockbox filings.

"Utilizing efficient technologies in conducting the state's business benefits everyone," said Secretary Daniels. "This award is a great honor because it represents our commitment to providing the best customer service possible to the citizens of Arkansas."

The new lockbox automated payment processing system was developed to expedite processing for those businesses which prefer to mail in their franchise tax form and payment. The Secretary of State's office partnered with the Information Network of Arkansas and Regions Bank to implement the lockbox system, in which electronic records are created for each mailed-in filing for verification by the Secretary of State's

office while the enclosed payments are processed immediately.

This pioneering web application has dramatically increased the rate at which franchise tax filings are processed while saving substantial time and money. Indeed, the Secretary of State's office estimates that the processing time has been reduced by 60 percent, or two months.



Secretary Daniels with  
INA's Phil Billingsley (left)  
and Janet Gard

"Although all of the nation's Secretaries of State provide business services to their constituents, the Arkansas Secretary of State's office was the only one to be nominated for this award," remarked the Secretary of State's Director of Business and Commercial Services, Charolett Martin.

The Center for Digital Government is a national research and advisory institute on information technology policies and best practices in state and local government. The Digital Government Achievement Award is a national program

(See **AWARD**, page 3)

## Batch filing an easy option for franchise tax season

In 2007 the Secretary of State's office worked with private CPA firms and other tax preparers to streamline franchise tax payments. As a result, franchise tax payment through batch filing more than doubled. This tax season batch filer information will automatically be updated into the 2008 forms, allowing preparers to submit multiple taxes simultaneously.

The Secretary of State's office is available to provide onsite demonstrations of the program along with assistance in setting up accounts. As was done last year, payment vouchers may be sent directly to a preparer's

clients, relieving the preparer of collection duties.

For the 2008 tax year, we encourage batch filers to update their profiles. Unless the filing preparer removes an individual business from his/her profile, tax forms will not be mailed to companies whose taxes were paid through the batch system in 2007. Instead, the tax preparer will receive a list of taxes they filed last year. Any companies interested in accessing batch filing for the upcoming year may contact Ben Tate at 501-682-5282.



Secretary of State Charlie Daniels

Season's greetings to the business community of Arkansas. If you haven't visited our website lately, I encourage you to visit it and see our new look. The new site is designed with you in mind. Navigating the system is more user friendly and requires fewer than three keystrokes to access any destination.

We are also about to close out another calendar year, and with that comes the responsibility of making sure your business is in **good standing** as of December 31. I invite you to read the franchise tax reminder notice carefully on page 4. If you received a similar postcard by mail, please take steps immediately to file your taxes. If you have already filed franchise taxes and your annual report, no further action is necessary.

Another major issue we are focusing on in 2008 is obtaining annual report mailing information for nonprofit corporations. This mandate was handed down by the Arkansas Legislature during its last session. Nonprofit organizations are now required by law to file annual reports

(See **LETTER**, page 3)

## Business and Commercial Services



## Frequently Asked Questions

### Q. What information do I need to dissolve an entity?

**A.** With the end of the year approaching, any company that wishes to dissolve this year must complete the process by December 31, 2007, to avoid paying taxes for 2008. All taxes must be current, including a final report filed with payment along with the proper dissolution form according to your type of entity. All of the information must be postmarked by December 31. All of the necessary forms can be filed or downloaded on our website, [www.sos.arkansas.gov](http://www.sos.arkansas.gov). If a company fails to complete the dissolution process by December 31, the entity must also pay 2008 franchise taxes.

### Q. What is the earliest day I can file my 2008 franchise taxes online?

**A.** The online filing system can be utilized on January 1, 2008. The entity

that has filed may receive a mailed form, but this should be disregarded if you have submitted taxes online.

### Q. How do I change my address for my company?

**A.** First determine the type of address (registered agent or tax contact) you would like to change. Both changes can be filed or downloaded on the website. There is no charge for either method.

### Q. The SOS website lists my company as revoked. What does this mean?

**A.** "Revoked" means that the company has not met all the franchise tax requirements due for the past year(s). The company will be reinstated after the taxes are paid. This process can be done online.

### Q. I forgot to pay corporate franchise tax on time. I did it today through your website. How long will it take before that payment and status of "good standing" are reflected?

**A.** Payments will reflect online the next business day.

### Q. Can you give me the phone number of a company listed on your website?

**A.** The Secretary of State's office does not maintain telephone numbers for records on file.

*Have a question? E-mail us: [Business and Commercial Services at corporations@sos.arkansas.gov](mailto:BusinessandCommercialServices@corporations@sos.arkansas.gov).*

## Uniform Limited Partnership Act updates requirements for LPs, LLLPs

Act 15 of 2007, the Uniform Limited Partnership Act (ULP), can now be found in the Arkansas Code at 4-47-101 et. seq. Most of the pertinent provisions of this act went into effect September 1 of this year. This article is not intended to be a scholarly work to discuss liability and organizational theory of limited partnerships (LP's). It is, however, meant to highlight some of the changes to the limited partnership law and how they relate to the Secretary of State's office.

### Names

Abbreviations may now be used in the corporate ending of limited partnerships. Names of LP's may now contain the abbreviations L.P. and LP, and LLLP's may now use L.L.L.P. and LLLP. In addition a name may now be reserved for use in the future for up to 120 days. Ninety days after the original filing, the reservation may be extended for another 120 days.

### Registered Agents

The Model Registered Agent Act (MoRAA) provides registered agent information requirements for all entities, including LP's. The provisions of this act can now be found in the Arkansas Code at 4-20-101 et. seq.

### Annual Reports

Limited partnerships are now required to file an annual report with the Arkansas Secretary of State's office. The report is due by May 1 of each year beginning in 2008. Reports should include: the LP's name, address of its designated office, name and address of its registered agent, and, in the case of foreign LPs, its jurisdiction of origin. A filing fee of \$15 will be due with each report. The Secretary of State's office will provide report forms to filers.

### Limited Liability Limited Partnerships

The ULP now provides that a certificate of limited partnership may contain information on whether the limited partnership is a limited liability limited partnership. Therefore a LLLP can now be formed in a single step rather than the two-step process in the past.

**If the mailing address of your business has changed, please update your contact information with the Secretary of State's office by Jan. 1, 2008. Go to [www.sos.arkansas.gov](http://www.sos.arkansas.gov), or call 501-682-3409.**

# NOTARY CORNER



Although the notary law in Arkansas is very detailed in some areas, it only provides general guidelines in others.

When faced with these gray areas, notaries must rely on their own good judgment and practices established by the experiences and expertise of others. This edition of Notary Corner will try to fill in some of the gaps not covered by law. The information below is based on "best practices" that have been readily accepted by those persons and organizations that are active and respected in the national notary public community.

## Identification

Arkansas law states that unless the notary "personally knows the signer" the notary must be "presented proof of the identity of the signer." The law does not address what forms of identification are acceptable. It is widely recognized that the best way to identify someone not known to you is to examine an identification (ID) card. The best ID cards to rely on are those issued by government agencies and containing a photograph of the individual. Examples of this type of ID include: driver's license, government issued ID card, passport, or military ID. A notary relying upon any other

form of identification is increasing his/her risk of misidentifying the signer.

## Family Members

Although Arkansas law does not specifically prohibit notaries public from notarizing signatures of family members, the act should not be undertaken without some thought. When asked to notarize a document for a family member the notary should consider such phrases as: "direct or indirect financial benefit," "conflict of interest," "undue influence" and "a party to the instrument" and determine how they may apply to the situation. If any of these scenarios exist, it is probably not a good idea to proceed with the notarization.

The financial interests of family members are often so intertwined, especially between husband and wife, that the neutrality or impartiality of the notary may be questioned. As has been noted many times, the appearance of impropriety is often as bad as committing the act itself. Therefore if there is any question about the propriety of a notary acting for a family member, it would be a good idea to seek out another notary.

## Notary Certificates

The executed notary certificate is the physical proof that a notarial act has taken place. Consequently it should contain all the information about the notarial act as provided by law, as well as other information important to the notarization.

The notary certificate should be attached in some logical manner to the document with which it is associated. The certificate form may be typed, hand-written or stamped directly onto the document. If attached it can be stapled, glued or affixed in some other manner to the back of the document. The wording of the certificate should be appropriate to the document being notarized. If the certificate is not supplied with the document that is presented for notarization, then the notary may supply his or her own certificate. Sample wording for various types of certificates may be found in the *Arkansas Notary Handbook*.

The certificate information should be typed or printed in legible handwriting and completed in black or blue ink.

In the event the notary makes a mistake and places incorrect information on the notary certificate, the correction should only be made by the notary. If the wrong name or date has been filled in, the mistake should be fixed by striking through the incorrect wording with a single line. The correct wording may then be added and initialed by the notary. The notary should never use liquid paper or correction tape to fix the mistake. This behavior may lead persons to believe something is trying to be hidden or changed illegally.

For more info on topics or questions please contact the Arkansas Secretary of State's office at 501-682-3409.

**Need a speaker  
for your next meeting?**  
Contact  
**Secretary of State  
Business and Commercial  
Services**  
**(501) 682-3409**

## AWARD, continued from page 1

that recognizes outstanding agency and department web sites and applications that enhance information interactions, transactions and/or services. Categories include government-to-government, government-to-business, government-to-citizen, and government internal.

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at no cost. Updates can be made online at [www.sos.arkansas.gov](http://www.sos.arkansas.gov). The first deadline for filing a nonprofit corporation's annual report is August 1, 2008; please update your mailing information with our office immediately.

We welcome you to stop by the state capitol during the holidays and enjoy the decorations, choirs and the December 1 lighting ceremony.



# NOTICE

## Forfeiture of Corporate Charter

Each year, the Arkansas Secretary of State is required to compile a list of corporations that have not met all Franchise Tax requirements. In accordance with Arkansas Code, Section 26-54-101, et seq., corporations that have not met these requirements are subject to forfeiture of corporate charter.

Payment of all Franchise Taxes, with penalty and interest, is due by December 31, 2007. Unpaid entities will move from "not current" status to "revoked" on January 1, 2008.

**File Online at [www.sos.arkansas.gov](http://www.sos.arkansas.gov)**

- ◆ Fast and convenient
- ◆ Available 24-hours a day
- ◆ No checks to write
- ◆ Instant proof of filing

*Need additional information? Contact the  
Secretary of State's Business & Commercial Services Division  
(501) 682-3409 or (888) 233-0325*



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